

SBA

LENDER'S NEWSFLASH

#10-05

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SBA LOAN PROGRAM PROPOSALS

The expansion of two critical Small Business Administration (SBA) lending programs has been **proposed**, aimed at allowing small businesses to refinance and increasing limits for working capital. These are both **legislative proposals** designed to help small businesses through what continues to be a difficult period in credit markets.

Some of you may have seen a [Fact Sheet](#) regarding these proposals. Again, these items have been **proposed**, and all require congressional action and approval before they can take effect.

Details of the new SBA initiatives are:

1. Expand SBA's existing program to temporarily support refinancing for owner-occupied commercial real estate loans:

The Administration is proposing legislation to temporarily allow for the refinancing of owner-occupied commercial real estate (CRE) loans under the SBA's 504 program, which provides guarantees on loans for the development of real estate and other fixed assets. Currently, 504 loans cannot be used solely for the refinancing of maturing debt. This change would respond to the difficulties many current, solvent borrowers face in refinancing existing commercial real estate loans.

2. Temporarily increase the cap on SBA Express loans from \$350,000 to \$1 million:

The President is proposing to temporarily increase the maximum SBA Express loan size to \$1 million, which would expand the program's ability to help a broad range of small businesses through a streamlined approval process. Currently, these Express loans are capped at \$350,000 and carry a 50 percent guarantee.

Additional SBA lending proposals include:

1. An extension of the current Recovery Act programs that eliminate fees and raise guarantees on SBA's two largest loan programs; and
2. Permanent increases in the maximum loan sizes for major SBA programs.

When a decision has been made by Congress on these proposals, more information will follow.

**SBA Nebraska wants to say "Thank You!" for your continuing support of
Nebraska's small businesses!**

****The Nebraska District Office would also like to remind you to contact us if you are having problems working with our loan center(s).**

PLEASE DO NOT WAIT!

If you have any questions or need additional guidance, please contact our office at 402-221-4691.

www.sba.gov/ne
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